

COMMONWEALTH OF MASSACHUSETTS
Department of Telecommunications and Energy

**RESPONSE OF THE ATTORNEY GENERAL TO THE
FIRST SET OF INFORMATION REQUESTS FROM THE
BAY STATE GAS COMPANY
D.T.E. 05-27**

Dated: August 1, 2005

Responsible Party: David Effron

BSG-AG-1-14 For Mr. Effron: Describe the Reverse South Georgia Methodology

Response: See the response to BSG-AG-1-11. It is Mr. Effron's understanding that the IRS will permit the use of the Reverse South Georgia Methodology to amortize a deferred tax excess caused by a reduction to the tax rates when a utility taxpayer does not have the necessary records to implement the ARAM precisely.